

SECTION IV

WOODGATE WEST

Project Description

The property consists of 314 units located in the Fondren Southwest area of Houston. The development contains 34 two-storey buildings on a plot of 10.63 acres. The construction is of wood frame with attractive brick veneer and composition siding and was completed in 1973. The complex is individually metered for tenant electric use. Current occupancy is 97% and the project has experienced historical occupancy averaging 95%.

The units range in size from 710 to 1,264 square feet with an average unit size of 913 square feet. Each unit includes wall-to-wall carpeting and draperies, individually controlled electric heating and air conditioning, color coordinated kitchens complete with garbage disposals and dishwashers and either a private patio or balcony. There are 314 covered parking spaces. Amenities consists of two swimming pools, an adult clubhouse, a children's clubhouse and a recreation area.

Neighbourhood Description

The property is situated in Fondren Southwest, a planned development which is strategically located in the path of Houston's major residential growth, that being the Southwest quadrant. The property is approximately 13 miles from downtown Houston and 6 miles from the 610 loop via Interstate 59 (Southwest Freeway). Access from Interstate 59 is provided by Fondren Road, South 2 miles to Dumfries Road and then left one block to the property.

Fondren Southwest, which consists of 1,800 acres, is substantially complete and consists of single-family homes, townhouses, patio homes, apartments, commercial shopping, light commercial, office space and recreational facilities. Single-family housing ranges in value from \$ 75,000 to \$ 400,000. Patio homes range from \$ 80,000 to \$ 150,000.

Major regional shopping facilities are located close to the subject property. Sharpstown Mall is 2½ miles from the subject property and includes 1.5 Million square feet of leased space with anchor tenants being Foley's, Montgomery

Ward, and Penney's. Westwood Fashion Mall is also 2½ miles from the project and includes 1 million square feet of leased space with Sears and Joske's as major tenants. There are numerous neighbourhood and boutique type shopping centers throughout the area on such thoroughfares as Fondren, Gessner, West Bellfort, South Braeswood, Beechnut and Bissonet.

The neighborhood contains schools from the pre-school level through a four year university. Fondren Junior High School borders the subject's north line and Elrod Elementary School is one block east of the subject.

The property is opposite the Chancellors Racquet Club, a multi-million dollar, private tennis and club facility. Also convenient to the property is a family YMCA, public recreational facilities, churches and Southwest Memorial Hospital, a 600 bed, major health-care facility.

Within the neighborhood area, there are approximately 25 major multi-family projects totaling 6,250 units with 18 projects have comparable rents. Major office building developments and planned developments are prominent along the Southwest Freeway, all within quick access to the subject property.

Unit Breakdown

Type.	Number	Square Feet	Rental Rate	P.S.F.
1 BR, 1 BA	56	710	\$ 335	\$.47
2 BR, 1BA	30	803	375	.47
2 BR, 1BA	24	803	380	.47
2 BR, 1BA	48	914	395	.43
2 BR, 1BA	48	914	400	.44
2 BR, 2BA	30	991	420	.42
2 BR, 2BA	30	991	425	.43
2 BR, 2BA	16	1,000	435	.44
3 BR, 2BA	10	1,264	490	.39
3 BR, 2BA	22	1,264	495	.39
Total	314	286,774		
Average		913		.44

Tenants Paid Utilities except domestic hot water.

Occupancy - 97%.

Houston Regional Analysis

Houston represents one of the most dynamic real estate investment markets in the country. The city is currently the fastest growing major city in the U.S. in terms of population, employment and personal income. In 1968, Houston ranked 69th country in metropolitan per capita income; in 1980, it ranked 10th. Houston is currently the fifth largest city in the country with a population growth of 24% projected through 1980. The unemployment rate for 1981 was 3.3% which represents less than half of the national unemployment rate.

Houston is well known as the nation's energy capital with virtually all of the major oil companies having major operations in the city; one-fourth of the nation's oil refining capacity and one-fourth of the country's oil and gas transmission firms located here; chemical industries representing 50% of the U.S. petrochemical capacity; and 80% of the nation's synthetic rubber production. In addition, Houston is also an international and national trade center with its two airports serving all major U.S. cities and many foreign cities. The Port of Houston contributes significantly in that it ranks second in the country in terms of total trade and first in total foreign trade. Rail and trucking activity also contributes heavily to Houston's overall trade activity.

Houston's outlook for the future is very bright in terms of growth and stability. Along with the energy related companies, Houston should continue to expand its major research and development centers, medical facilities, scientific and technological activity, and domestic as well as international banking. The city's pro-business attitude and stable economy should continue to attract new and additional expansion of industry providing jobs in all areas of the economy.

Construction Activity.

Building permits in Houston for 1981 reached record levels establishing Houston as the only city ever to have issued more than \$ 3 billion worth of building permits in one year. The construction activity was predominantly in non-residential developments with office building construction marking the most gain. Apartment construction has lagged behind for several years with approx. 15,000 rental units completed each year. Market demand for rental units is expected to continue at 25,000 units annually through the year 2000.